**A** **BILL**

TO AMEND THE 1976 CODE TO ENACT THE “SMALL BUSINESS TAX CREDIT REFORM ACT” BY AMENDING SECTION 12-6-3367, RELATING TO A MORATORIUM ON CORPORATE INCOME AND INSURANCE PREMIUM TAXES FOR CERTAIN COMPANIES INVESTING AND CREATING JOBS IN THE STATE, TO PROVIDE THAT A SOLE PROPRIETORSHIP, PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, OR AN ASSOCIATION TAXABLE AS A BUSINESS ENTITY MAY ALSO CLAIM THE TAX CREDIT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act may be cited as the “Small Business Tax Credit Reform Act”.

SECTION 2. A. Section 12‑6‑3367(A) of the 1976 Code is amended to read:

“(A) A taxpayer creating and maintaining at least one hundred full‑time new jobs, as defined in Section 12‑6‑3360(M), at a facility of a type identified in Section 12‑6‑3360(M) may petition, utilizing the procedure in Section 12‑6‑2320(B), for a moratorium on state ~~corporate~~ income taxes imposed pursuant to ~~Section 12‑6‑530~~ this chapter or insurance premium taxes imposed pursuant to Title 38 for the ten taxable years beginning the first full taxable year after the taxpayer qualifies and ending either ten years from that year or the year when the taxpayer’s number of full‑time new jobs falls below one hundred, whichever is earlier. For purposes of insurance premium taxes, the petition pursuant to Section 12‑6‑2320(B) must be made to and approved by the Director of the Department of Insurance.”

B. Section 12‑6‑3367(C) of the 1976 Code is amended to read:

“(C) During the applicable moratorium period, the moratorium applies to that portion of the taxpayer’s ~~corporate~~ income or premium tax that represents the ratio of the taxpayer’s new investment in the qualifying county or counties to its total investment in this State.”

C. The amendments to Section 12‑6‑3367 contained in this SECTION do not affect the provisions of Section 3, Act 277 of 2000, as that section relates to the repeal of Section 12‑6‑3365 of the 1976 Code.

SECTION 3. Section 12‑6‑3410(A) of the 1976 Code is amended to read:

“(A) A corporation establishing a corporate headquarters in this State, or expanding or adding to an existing corporate headquarters, is allowed a credit against any income tax due pursuant to ~~Section 12‑6‑530~~ this chapter, or any bank taxes due pursuant to Chapter 11 of this title ~~Section 12‑11‑20~~, or any license taxes due pursuant to Chapter 20 of this title. ~~Section 12‑20‑50 as set forth in this section.~~”

SECTION 4. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 5. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑